

**USE TAX ACT (EXCERPT)**  
**Act 94 of 1937**

**205.94j Exemption of motor vehicle acquired by towing company from police agency; definitions.**

Sec. 4j.

(1) The tax levied under this act does not apply to a motor vehicle acquired by a towing company from a police agency as satisfaction for towing and storage charges if the motor vehicle was impounded by the police agency or determined to be an abandoned vehicle or an abandoned scrap vehicle by the police agency.

(2) As used in this section:

(a) "Abandoned vehicle" means a vehicle that has remained on public property or any other place open to travel by the public without the consent of the local police agency for a period of 48 hours after a police agency has affixed a written notice to the vehicle.

(b) "Abandoned scrap vehicle" means a vehicle that meets all of the following requirements:

(i) Is on public property or any other place open to travel by the public.

(ii) Is 7 or more years old.

(iii) Is apparently inoperable or is extensively damaged to the extent that the cost of repairing the vehicle so that it is operational and safe would exceed the fair market value of that vehicle.

(iv) Is not currently registered pursuant to the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, being sections 257.1 to 257.923 of the Michigan Compiled Laws.

(v) Is not removed within 48 hours after a police agency has affixed a written notice to the vehicle.

**History:** Add. 1989, Act 141, Imd. Eff. June 29, 1989